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CNEA BUDGET DELAYS HAMPER NUCLEAR PROGRAM

PY252030 Buenos Aires AMBITO FINANCIERO in Spanish 17 Dec 84 pp 60-62

[By Martin F. Yriart, reporter on nuclear and technological matters]

[Text] The economic situation of the Argentine nuclear program during 1984 was characterized by a budget cut that practically strangled the program, causing the paralyzation of almost all construction, the postponement of planned projects, and the operation of plants at levels below their potential. Argentine foreign policy, however, suffered little change while the actions of political parties revealed the great difference between an electoral platform and practical application. In fact, the platform of the Radical Civic Union [UCR] as well as the declarations of UCR candidates gave the impression, on the eve of the elections, that the Argentine nuclear plan would be preserved but that readjustments would have to be made on its timetable and size in accordance with the new economic situation of the country. However, the facts revealed the contrary.

Had the timetable of the original program been maintained, the National Commission for Atomic Energy [CNEA] would have required a budget of $950 million for maintenance and construction in 1984 (excluding interest and amortization). In December 1983, after hard negotiations with the Finance Secretariat, that amount was reduced to $735 million, a reasonable figure keeping in mind the general conditions of the economy. But 12 months later, after a long series of delay tactics and expenditure restrictions, the CNEA budget for 1984 was cut to $250 million, which is hardly a third of its needs.

The national budget was approved by the National Congress on the night of 30 September. The executive branch decree that distributed the funds was finally signed on 6 November and only in the second week of that month was the CNEA able to get that decree implemented. Meanwhile, the CNEA had to subsist on the extension of the 1983 budget which featured pesos valued at that year's rate plus some contributions from the Treasury. The CNEA was only able to obtain 9 percent of the 37 billion pesos it was supposed to get from the National Treasury on 30 November.

The specific resources of the CNEA (the sales made by the Atucha and Embalse nuclear plants) were 4.3 billion pesos up to 30 November, a figure that is less than half of what it should have been. In sum, with a work project of approximately $3 billion, the nuclear plants (that operated at a loss all year) have been the ones that fed the CNEA during 1984, dramatically reversing a situation in which the budget was supposed to maintain the CNEA and not the plants.

The second part of the CNEA budget, the interest and amortization of the debt, also shows a dark picture, which to a great extent is the consequence of the public sector policy of obtaining financial resources through the commerical market. The CNEA this year had to pay 12 billion pesos in interest on its total debt, 11 billion on its foreign debt. The CNEA had to refinance another 38 billion pesos, which is part of the principal of the foreign debt it had contracted abroad, through the aforementioned policy, in the form of short-term credits (90 days renewable), on which it still has to pay $538 million.

The long-range "genuine" debt is $800 million, scheduled for repayment up to the year 2003, with current servicing of $42 million a year.

The CNEA budget situation would have been less serious had the Energy Secretariat not implemented a policy of considerably reducing the income earned by the Atucha and Embalse nuclear plants.

In fact, even though they are in excellent operating condition, during this year they have operated at an average of less than 60 percent of their capacity, despite the fact that they are plants operated at base load, designed to operate at full capacity 24 hours a day, 365 days a year. (See Table 1)

TABLE I

Nuclear Energy Production, 1984

Parameter	Atucha I	Embalse
Net energy output (Gwh), until 30 Oct 84	1,477.58	2,522.06
Loan factor (percentage) (1)	60.26	57.54
Operational factor (percentage) (2)	98.56	86.79
Availability factor (percentage) (3)	98.21	84.70

(1) Net energy output during the period divided by the maximum technically possible output.
(2) Hour of operation divided by the number of hours of the period.
(3) Net energy output plus the energy that may have been produced if requested divided by the maximum technically possible output.

Historically, the load factor of Atucha I has been close to 80 percent. This has allowed the power plant to rank several times among the world's 10 most efficient plants of its size and age. During the first 8 months of 1984, the plant interrupted its operation only twice, for 105 hours. Brief maintenance operations were carried out during these two periods.

Embalse, whose reactor is of the CANDU class, completed its first year of operation on 3 May. According to the experience of similar plants built in Canada, this plant can be even more efficient than Atucha. This will be evident when it can operate at full capacity. However, in 1984 the obligatory decrease in the output was coupled with a drop in the rate that the Single Power Distribution Office [Despacho Unificado de Cargas -- DUC] pays to the CNEA.

In fact, the rate was at $.018 per kwh produced by the nuclear plants, but the CNEA considers that it should be at $.033 per kwh. This difference, plus the idle capacity, have represented a loss of approximately $140 million for the CNEA, despite the fact that the DUC compensates the CNEA for the idle capacity. (See Table 2)

TABLE II

Nuclear Plant Invoicing, 1984

Invoicing (1)	Atucha I	Embalse	Total
Actual output, at $.018/kwh	42.31	7[illegible].87	114.18
Maximum output, at $.018/kwh	47.45	80.66	128.11
Actual output, at $.033/kwh	91.47	154.03	245.51
Maximum output, at $.033/kwh	94.71	159.57	254.28

(1) All figures in $U.S. millions.

The situation of the projects under development is even worse. The most important ones are Atucha II (690 mw-capacity plant, $1.7 billion investment), the Ftmoito heavy water plant (annual output of 250 tons, $600 million investment), the spent fuel reprocessing plant (annual output of 40 tons, $500 million investment), and the uranium enrichment plant (output of 500 kg of U-235 enriched to 20 percent, $130 million investment). Very little progress was made in these projects in 1984.

In all cases, the CNEA has suspended the payments, compelling the companies to contract debts or, in more than one case, to close. In addition, there are the accumulated debts owed by the CNEA in fines, interests, reimbursements, and compensation for idle capacity. Says a high-ranking official: "We are paying hundreds of millions of dollars to do nothing."

The effect of budget cuts on the uranium and fuel production sectors has been less serious, because lower load factors imply the use of lower amounts of fuel. Moreover, the available stock (some 130,000 tons) plus the 1983 production (another 70,000 tons) represent a comfortable reserve.

The accumulated production of yellow cake in 1984 reached 138,009 kg on 30 November. The CNEA produced 21.5 percent of this amount in the San Rafael and Malargue plants in Mendoza, and the remaining 28.5 percent [as published] was produced by Sanchez Granel at Los Gigantes in Cordoba. The production of uranium dioxide (the actual nuclear fuel) turned out 78,700 kg in the conversion process at the Cordoba Plant.

Through a consortium of contractors, the CNEA drilled in Patagonia 80 percent of 40,000 meters of exploratory wells planned. Thus, possible uranium deposits were located near Los Adobes in Chubut Province. Drilling with its own equipment in the Puna region (2,000 meters high), the CNEA found "satisfactory" deposits in Aguiliri, Jujuy. In Sierra Pintada (the main deposit known so far), the CNEA began operations 45 days ago to extract 560,000 tons of uranium ore, as part of a program to accumulate over a period of 18 to 24 months the amount of uranium ore calculated to cover the needs for the production of yellow cake for 3 years.

But, if the production activity can be considered sufficient for 1984, it must be borne in mind that for the nuclear plants to return to their normal level of operations will have to be a substantial increase, even without there considering the stockpiling necessary to cover the needs of Atucha II when it goes into operation, which is now set for 1990.

One of the areas in which the CNEA had the worst difficulties was that of salaries, which were excluded from most of the readjustments granted to the other public sectors in 1984. In the year's third quarter the real salaries of high-level CNEA researchers and professionals have shrunk by 50 percent. By the end of November, young professionals with 2 to 4 years of advanced training abroad drew salaries averaging 45,000 pesos a month.

That a stampede to other occupations or abroad has not taken place by now can only be explained by the recession that affects the other sectors of the economy, and by the strong missionary spirit that characterizes most members of the CNEA, or of scientific institutions in general.

One can hardly believe that the scientific and technological assets that Argentina has accumulated over more than 30 years, placing the country in the lead in Latin America and the developing world, can be left to the spirit of sacrifice and personal loyalty of a few hundred individuals and their families.

Despite the reservations of the UCR on the military government's foreign policy in the nuclear field, particularly after the announcement that the uranium enrichment technology had been harnessed in the country, the decision of the new government, after some months of pondering, was to continue in the same direction, that is, not to accept the Nonproliferation Treaty, the total safeguards, and the ratification of the Tlatelolco Treaty, as long as it is intended to impose on Argentina a safeguard agreement contrary to the spirit and the letter of the treaty.

A new nuclear law, which was drafted by the UCR and was to be introduced in Congress this year (but which has not been introduced yet), proposes a system of internal controls that will presumably give assurances abroad that Argentina does not possess and is not developing the atomic bomb. But these assurances certainly would not stop the external pressures, which incidentally have let up in recent months.

An assessment of 1984 cannot be closed without taking a look at the future. All agree that 1985 will be just as difficult as 1984 for the CNEA. With this prospect, the exodus of scientists and technicians seems inevitable, as does the shutdown of private enterprises that had developed a high degree of competence in engineering, construction, material, and equipment in the nuclear area. And behind all this, the ugly specter of power shortages raises its head. The Energy Secretariat has under construction only two projects that can contribute to meet the increased demand expected in the next decade: Atucha II and Yacyreta. The first project, which is 40 percent completed can make the largest contribution to meet that demand if it begins operating in 1990 as planned, with a single turbine capable of 690 mw capable of operating at full power continuously.

In the past, Argentine nuclear development was forced by successive energy bottlenecks. To review the nuclear plan, we should not wait to arrive at a new situation of energy supply deficit like the ones which preceded the decisions to build the Atucha I and Embalse nuclear plants.

The result in both cases was the signing of turn-key contracts that left aside a good number of possible domestic suppliers.

ENERGY SECRETARY ON YACYRETA DAM PROJECT

PY261530 Buenos Aires HERALD in English 26 Dec 84 p 2

[Text] (NA) -- There will be no more jarring increases in service rates during 1985, since the hike of electricity rates will be "soft and gradual", Energy Secretary Conrado Storani announced yesterday. He added that there is no budgetary problem curtailing the normal progress of work on the Yacyreta hydroelectric dam, a joint Argentine-Paraguayan undertaking. Storani once more voiced criticism against the inter-firm market for what he termed as an excessive increase in interest rates. He said the government must "take better care of credit, guiding it towards production and the promotion of exports."

The State Petroleum Company (YPF) has paid up a debt it had with the National Treasury, with a credit note worth 100 million dollars, which is the result of fuel oil exports for 354 million dollars, the official reported.

On the subject of Yacyreta, Storani said that the project has been allotted 500 million dollars for 1985. He said that amount was "sufficient for the normal development of the project." This year, he added, more was spent on the project that was necessary, "but there is, however, a remnant," he said. With reference to the ordering of 20 turbines from the United States company Allis Chalmers, which is reportedly undergoing financial difficulties at present, Storani said it was "not an Argentine problem." He nevertheless said that the binational company in charge of the Yacyreta dam "means to go ahead and order the turbines from Allis Chalmers since the financial problems" currently suffered by the latter "are nothing out of this world, and besides, there is always the banking guarantees." Storani said that another possibility would be to "order 10 turbines from the U.S. company and the remaining 10 from groups of bidders, so as to diversify the order."

AIRPORT TO BE CONSTRUCTED ON ANTARCTIC PENINSULA

PY211129 Brasilia Domestic Service in Portuguese 2200 GMT 20 Dec 84

[Text] Brazil has decided on an area where it will construct an airport in Antarctica. Five areas, apparently suitable for the construction of an air strip, have been chosen on the [name indistinct] Peninsula, where the Brazilian base on that continent is located.

Brazilian Air Force Major Irio (Adai), of the Engineering Corps, from the 5th Regional Air Command, is studying the project. He has stated that Brazil has sufficient technology to construct the air strip, despite the difficulties offered by the ground in the region, which is made up of decomposed basalt and [words indistinct].

(Adai) believes that the airport, (?which may have similar specifications to one intended for the Amazon Jungle), will possibly be able to operate year-round. Therefore, planes leaving from Brazil will be able to land in the Antarctic the same day.

AUTOMOBILE-OIL EXCHANGE ACCORD SIGNED WITH IRAQ

LD201749 Hamburg DPA in German 2111 GMT 19 Dec 84

[Text] Rio de Janeiro, 19 Dec (DPA) -- VW do Brasil, the Volkswagen plant in Brazil, will send 100,000 Passat cars to Iraq in return for oil deliveries in the next 2 years. Wolfgang Sauer, president of VW do Brasil, said in Rio today that negotiations are in progress to enlarge the deal and to extend the period to 3 years. The present contract is worth $630 million. If the current talks are successful the deal will be worth about $1 billion according to Sauer.

Four countries are involved in the deal: Brazil, Iraq, Jordan, and the Federal Republic. Sauer said the Iraqi oil, totaling 22-25,000 barrels a day, will be taken in tankers by the German haulage firm Schenker and Co. to Aqaba in Jordan where the Brazilian oil company Petrobras will take it over.

Sauer said that, as well as being a success for his firm, the deal is designed to capture the Iraqi market in the long term. Cars will be in great demand in Iraq. Iraq is planning, once its war with Iran is over, to build up its own automobile industry and to industrialize on a large scale. VW do Brasil has already supplied cars to Iraq, 30,000 this year, 10 percent of its total exports.

1984 TRADE SURPLUS TO REACH $13 BILLION

PY210220 Brasilia Domestic Service in Portuguese 2200 GMT 20 Dec 84

[Text] The Brazilian trade surplus for the month of December will possibly reach $1 billion; therefore, the trade surplus for 1984 will amount to $13 billion. This was reported by Carlos Viacava. Foreign Trade Department director, yesterday in Rio de Janeiro. Viacava believes that the trade balance surplus for 1985 will reach $12 billion.

BRIEFS

PETROBRAS OIL DISCOVERY -- Petrobras has discovered a new oil deposit off the coast of Sergipe, some 5 km from the shore and 11 km from the Robado field. In the preliminary tests, production has reached 1,200 barrels daily. [Brasilia Domestic Service in Portuguese 2200 GMT 18 Dec 84 PY]

GOVERNMENT CONFIRMS ARREST OF PRIESTS, NUNS

PY261739 Santiago Domestic Service in Spanish 1630 GMT 26 Dec 84

[Excerpts] Nuns and priests have been arrested for distributing subversive pamphlets on the streets. This was officially confirmed by Government Secretary General Francisco Javier Cuadra when he was asked about the arrest of priests on 21 December. He added that among those arrested are two foreign priests, who have a record of political activism, and (?two) Chilean nuns. Cuadra said that this group was caught red-handed as it was distributing political pamphlets at the end of a mass.

[Begin Cuadra recording] The leaders of the group are two foreign priests who have been identified as (Gerard Hiram Hollihan Liam) and (Francis Dennis O'Meara Holland). The first is an Irish citizen and the latter is a U.S. citizen. Since both have a history of carrying out political activities within the country, they have been placed at the disposal of the Interior Ministry which must decide on their fate. [end recording]

Cuadra added that the 12 nuns [as heard] who were arrested have been placed at the disposal of church authorities.

SWEDISH EMBASSY REFUSES TO HAND OVER REFUGEES

PY261750 Santiago Domestic Service in Spanish 1630 GMT 26 Dec 84

[Excerpts] Foreign Minister Jaime del Valle has reported that the Swedish Embassy in Santiago has rejected the Chilean court's petition to hand over to the Chilean courts the three refugees lodged at the embassy. The military court has charged these refugees with participating in the attack against the 10th Police Precinct building in La Cisterna on 4 November, which resulted in the deaths of two Carabineros. The foreign minister added that negotiations with the Swedish Embassy over this issue continue but that he has not yet received an official report from the Swedish Embassy.

MINING MINISTRY REPORTS 'POSITIVE' YEAR

PY210155 Santiago EL MERCURIO in Spanish 14 Dec 84 pp A 1, A 12

[By Francisco Eterovic]

[Excerpts] Punta Arenas -- Mining Minister Samuel Lira Orvalle yesterday termed positive the situation in this sector during 1984. Among the accomplishments achieved this year, he mentioned the fulfillment of the expected production rates and the generation of direct and indirect employment opportunities, reaching the number set as a goal. As an example, he cited that the mining zones in the country had very low unemployment rates, especially in the Third Region. He said that this year's production will be a little higher than last year's reaching approximately 1.3 million tons. Regarding prices, he said that copper prices varied between 60 and 70 cents per pound, which he considered very low. "It is not easy to make predictions, but market indicators are showing us that this price must tend to go up in the relatively near future," he stated. Regarding silver, he said: "We are in a good situation because we are improving over the production achieved in 1983 which amounted to 360 tons, a record figure. This year it can increase by approximately 12 percent," he stated. Regarding gold production, he said that predictions were that this year's production will be the same 17,000 kg extracted last year, perhaps a little less. He said that the expected increase has not taken place because the gold from the El Indio has experienced a drop in its quality, which adversely affected production. Asked about the budget presented by the National Petroleum Enterprise, the minister cited a figure of $150 million, an amount that must be approved in sessions that will conclude at noon today.

GOVERNMENT TO APPEAL U.S.-IMPOSED TEXTILE TAXES

PA242122 Paris AFP in Spanish 1420 GMT 24 Dec 84

[Text] Bogota, 24 Dec (AFP) -- Colombia will appeal the U.S. State Department's decision to tax the textiles and clothes it exports to that country, according to an official report issued today. Development Minister Ivan Duque said that although Colombia still does not have official notification from the U.S. Government regarding the decision, available information in this regard indicates that the additional taxes will gravely affect Colombia's textile industry. He added that as soon as the necessary information is gathered, the Colombian Government will begin the appropriate legal measures to achieve a repeal of the decision. The government will work through the Export Promotion Fund, Proexpo, and a specialized law firm.

It was estimated that the new customs taxes on Colombian textile exports to the United States will cause a slump in the recovery observed in that activity during the textile year, between June 1983 and June 1984.

EPL GUERRILLAS OCCUPY EL MUNDO NEWSPAPER OFFICES

PA222129 Bogota Cadena Radial Super in Spanish 1730 GMT 22 Dec 84

[By Marino Restrepo Maya]

[Text] Medellin -- A series of terrorist attacks on buses were carried out during the past 24 hours in this capital, resulting in property damage estimated at 6 million pesos. The Pedro Lean Arboleda Command of the Popular Liberation Army, EPL, has claimed responsibility for these actions.

Another report says that for 10 minutes a guerrilla group occupied the offices of the newspaper EL MUNDO in Medellin. The guerrilllas harangued the newspaper personnel comprised of some 50 individuals; painted 19 April Movement [M-19] slogans on the walls, and left a communique which expressed support for the M-19 and total rejection of the Army's attitude toward the M-19 position in the mountains of Corinto municipality, Cauca Department.

We just interviewed Francisco Alberto Jaramillo of the newspaper EL MUNDO in relation to the guerrillas' occupation of the newspaper's building:

[Begin Jaramillo recording] Approximately 15 minutes ago, a group of five men, who claimed to be members of the EPL, seized the offices of the newspaper EL MUNDO. They came through the front door. The doorman and the rest of the newspaper's personnel were gathered at gunpoint in the main office, where they were harangued for approximately 10 minutes. The EPL members expressed their solidarity with the M-19 and explained some of the actions taken by EPL during the peace process, which they said had been seriously affected by the armed clashes in Corinto. The group did not resort to any act of violence. They simply gathered the personnel in the main offices, approximately 50 to 60 persons, with whom they talked and then handed out a communique in which they expressed their solidarity with the M-19. They also painted slogans on the walls. The group then left in a vehicle they had seized from a taxi driver in Colombia Street, in front of the Exitos department store. They asked the taxi driver to take them to San German neighborhood, in the sector of Robledo, then they pulled out their guns, told him to get out and drove to the newspaper EL MUNDO offices.

The group consisted of five men with hoods over their heads. Fortunately no violent incident took place. [end recording]

In another terrorist attack against Guillermo Leon Valencia Cosio, brother of Congressman Fabio Valencia Cosio, who is a mayor of a municipality of Medellin. He was shot at by two men on motorcycles but was not wounded.

WOUNDED GUERRILLAS EVACUATED FROM CORINTO

PA241204 Bogota Cadena Radial Super in Spanish 1730 GMT 23 Dec 84

[Text] Popayan -- The seriously wounded M-19 guerrillas were evacuated from the mountains near the town of Corinto this morning and taken to the departmental hospital in Cali. This operation was carried out by a Colombian Red Cross rescue team at the request of the guerrilla leaders.

The rebel groups fighting the Army still have not been identified. This morning the zone where there has been an armed conflict for more than 2 weeks appeared calmed, as if the cease-fire requested by the M-19 has been accepted.

Meanwhile, the Army says it will not give up one single millimeter of the territory it controls. It also reported the deactivation of more than 200 mines that the M-19 guerrillas had planted.

BRIEFS

NEW WARSHIP -- Colombia has received that last of the four warships equipped with Exocet missiles bought from the FRG. The new unit is the corvette Independencia. [Summary] [Bogota EL TIEMPO in Spanish 11 Dec 84 p 1 A PA]

PARAMILITARY GROUP -- Cali, 20 Dec -- A new paramilitary group calling itself Dissatisfied Youths of Colombia [Juventudes Inconformes de Colombia -- JIC] has threatened to eliminate all the Bazuco [mixture of coca and tobacco leaves] and marijuana dealers, kisnappers, and robbers. It also took credit for the explosion of two explosive devices in front of two residences in Cali last night. The threats were made in pamphlets the JIC left at the sites of the two explosions. [Summary] [Bogota EL TIEMPO in Spanish 21 Dec 84 p 6 D PA]

ANDEAN FUND LOAN -- Bogota, 18 Dec (LATIN-REUTER) -- Colombia has received a $229 million loan from the Andean Reserve Fund to help it overcome its foreign credit difficulties. The loan will be paid in 4 years. [Summary] [Buenos Aires LATIN in Spanish 1247 GMT 18 Dec 84 PA]

PASSPORTS FOR INVESTORS -- The government has approved a decree dated 17 December by which the foreign minister is empowered to issue 4-year regular passports to foreigners, residing on Colombia, who make significant long-term investments in Colombia or long-term deposits in Colombian banks. The investments must involve important activities in the country's economic sector. The National Planning Department will decide whether an investment falls in that category. The issuance of these passports does not imply the granting of Colombian nationality to foreign residents. [Bogota EL TIEMPO in Spanish 21 Dec 84 p 6 A PA]

CHRISTIAN DEMOCRATIC PARTY LEADER INTERVIEWED

PA252102 Caracas EL NACIONAL in Spanish 17 Dec 84 p A 6

[Report on interview with Luis Alfonso Resck, Christian Democratic Party Leader, who is in exile in Argentina, by Carlos Silva Valero -- date and place not given]

[Excerpts] Luis Resck, a founder of Paraguay's Christian Democratic Party, has said that social mobilization in his country, despite facing a relentless repression, is a political fact and constitutes one of the greatest challenges to the 30-year-old regime of General Alfredo Stroessner.

However, Resck regrets the fact that a silent international conspiracy that favors the perpetuation of Stroessner's power still prevails.

For example, he pointed out, the most recent OAS Assembly in Brazil abstained from condemning the ruling government in Asuncion, as it had done on previous occasions, despite the fact that the OAS annual report shows terrible human rights violations in Paraguay.

He acknowledged that the International Christian Democratic group itself, which is very active in Central America, has paid very little attention to the political situation in Paraguay, a nation that together with Haiti, are the forgotten dictatorships of the hemisphere.

Christian Democratic movements have also emerged in Haiti against dictator Jean-Claude Duvalier, but curiously enough, that country has not received aid from abroad either.

The Christian Democratic leader told EL NACIONAL during an exclusive interview that powerful interests in the form of multinational investments constitutes one of the strongest reasons for Stroessner's power. Violence and corruption are two other factors that have kept Stroessner in power for more than 3 decades, Resck said. The Paraguayan dictatorship is the oldest, and it has the longest-held political prisoners (Napolean Ortigoza, 22 years). It also has the largest number of exiles on the continent (approximately 1 million people out of a total of less than 4 million inhabitants).

Resck said: "A state of siege has been continously in force in Paraguay since 1954. In addition, among others, two famous 'legal' instruments have been decreed: Law 209, for the Defense of Public Peace and the Freedom of the People, and Law 294, for the Defense of Democracy, through which the Stroessner regime has increased state terrorism."

Law 209 bans a great number of activities such as the printing, storing, or distribution of leaflets or publications if the authorities believe such activities to be of Marxist inspiration. Law 294 banned political groups based on that ideology.

According to Article 59 of the Paraguayan Constitution, anyone under arrest must be taken before a judge within 48 hours of his arrest. That person must have access to an attorney. In a report this year, Amnesty International said that "those laws are repeatedly ignored and detained people remain in communicado in police stations for weeks."

"According to that report, those people are tortured while there and are forced to sign incriminating declarations that are used later against them when they are charged."

The Supreme Tribunal, which like the Armed Froces is under Stroessner's absolute control, advocates an absurd state in which liberties and individual rights are completely absent.

According to the opposition, the Paraguayan dictatorship itself is entangled in great contradictions because it actually violates the principles it decrees itself.

Under Stroessner's regime, Paraguay has given refuge to all kinds of fauna, from Nazi war criminal Joseph Mengele, well-known for his criminal medical experiments in the Auschwitz concentration camp, to Nicaraguan Dictator Anastasio Somoza, and a long list of drug traffickers and torturers of the southern hemisphere.

Resck is one of three Paraguayan citizens who were categorically banned from returning to the country. The other two are Augusto Roa Bastos, the best known and most popular Paraguayan writer, and Domingo Laino, vice president of the Authentic Radical Liberal Party.

Professor Resck said during his interview with EL NACIONAL that theoretically, all could return to the country, but because the conditions would be unacceptable with regard to their personal security and dignity, Roa Bastos, Laino, and himself remain in exile.

On Saturday night, Colorado People's Movement [Mopoco] President Miguel Gonzalez Casablanca denounced the arrest of party member Teodoro Benitez Viera. Benitez was arrested by the police shortly after noon, when he went to greet Mopoco leader Waldino Lovera, who was about to board a plane for Buenos Aires. Benitez is suffering from a kidney ailment and his condition could worsen in prison.

On Monday the 10th [of December], International Day of Human Rights, 14 leaders of Mopoco were arrested by the police as they prepared to enter the Cathedral to attend a mass commemorating the day. They were released on the following day, while Lovera escaped arrest when Asuncion Archbishop Ismael Rolon offered him asylum. Lovera was free last Thursday under the guarantee of the secretary of the group, Luis Pampliega, offered in the presence of the Catholic prelate.

On 12 October, the National Pact, a bloc of democratic parties made up by Mopoco, the Authentic Radical Liberal Party, the Febrerista Revolutionary Party, and the Christian Democratic Party, held a march in downtown Asuncion participated in by over 2,000 persons, who were protesting against the government and chanting slogans such as "Down With Military Dictatorship." Since then, the Mopoco leaders have been constantly watched and even followed by the police.

PATRIA LIBRE, organ of Mopoco, said in its first edition on that same Monday, the 10th without official authorization: "We have been walking on the edge of a critical situation, much closer to repression and the gag than to the exercise of our civic rights."

The Paraguayan prosecuting attorney asked for the indictment of five political and labor leaders of the opposition exiled in Argentina, including Resck, as result of an incident in front of the Paraguayan Consulate in the Argentine city of Posadas, on the border of the two countries. The official asked a criminal judge to arrest the leaders under charges of violating the Law of Defense of Public Peace and the Freedom of the People.

Resck, who was away on a Latin American tour that included Venezuela and so did not attend the march at Posadas, told EL NACIONAL that he had reliable information revealing that the incidents were provoked by Stroessner supporters to sabotage the civic actions of the Paraguayan exiles.

Resck was arrested on 10 June 1980 by the Stroessner dictatorship following a pronouncement by the Venezuelan Senate in favor of democracy in Paraguay. The Christian Democratic political leader was expelled from the country after a hunger strike that seriously threatened his life and arrived in Caracas on 11 July of that year. He now lives in Argentina.

Despite the repression of the Stroessner regime, which is protected in silent conspiracy by powerful international interests that do not demand free elections, the democratic mobilization is creating a political situation favored by the institutionalist winds blowing over the southern hemisphere.

Meanwhile, Stroessner, the ancient 73-year-old dictator, is already showing signs of senility amidst the solitude of his absolute power. Even the palace spies, the famous pyrague, comment that their chief rambles when speaking to the foreign diplomats who call on him.

JUDGE ORDERS SUSPENSION OF WEEKLY AQUI

PY261713 Asuncion Teledifusora Paraguaya Television in Spanish 1500 GMT 26 Dec 84

[Text] Attorney General Clotildo Jimenez Benitez this morning filed a petition for a court injunction requesting that the weekly AQUI be closed.

Late this morning, criminal Judge Edgar Ruben Stanley ordered that publication of the weekly AQUI be suspended effective this week while he hears the charges brought against it by the Attorney General. Referring to the weekly issues of the magazine, the attorney general charged that the constitutional rights of the Paraguayan people are being seriously and repeatedly violated by the illegal actions of a private concern.

BRIEFS

1984 EXPORTS -- From January through November of this year, exports reached $321,623,751 worth of products. It is expected that exports during the 12-month period closing in December will post earnings of $331,086,000 for 1984. [Summary] [Asuncion EL DIARIO in Spanish 25 Dec 84 p 4 PY]

ROK TRADE CENTER CLOSING -- (Pak Han-Tae), current director of the Korean Trade Center, has announced that despite his office's efforts to increase trade exchange between Paraguay and the ROK, it has been unsuccessful and will close down at the end of this month. [Summary] [Asuncion EL DIARIO in Spanish 21 Dec 84 p 10 PY]

GDP INCREASES BY 2.9 PERCENT -- According to Cesar Romeo Acosta, president of the Central Bank, during 1984 the Paraguayan economy experienced a healthy recovery with a 2.9-percent increase of the GDP, mainly due to the agricultural sector, which experienced a 9-percent increase, and to the industrial sector, which increased by 4.1 percent. [Summary] [Asuncion EL DIARIO in Spanish 21 Dec 84 p 10 PY]

DE LA MADRID INTERVIEWED ON CENTRAL AMERICA, U.S.

PA261655 Mexico City THE NEWS in English 22 Dec 84 pp 1, 6

[Part I of "excerpts" of "exclusive" interview with President Miguel de la Madrid by NOVEDADES EDITORES S.A. reporter Joaquin Lopez-Doriga in the "This Week" column; place not given]

[Text] In an exlcusive interview this week with NOVEDADES EDITORES S.A., President Miguel de la Madrid emphasized the importance of 1985 for Mexico's domestic and foreign policy initiatives. The coming year will see a re-examination by Mexico's creditors of the country's restructured foreigh debt, continued Contadora Group peace efforts for Central America, ongoing strategies to keep both inflation and federal expenditures in check and important national political elections.

In the following excerpts from the interview with reporter Joaquin Lopez-Doriga V., De la Madrid outlines Mexico's policy toward Central America and economic and political relations with the United States.

"I believe that a country like Mexico cannot be merely a passive factor in international politics. There are external circumstances that affect the national interest, and, considering these circumstances, we cannot remain indifferent, simply waiting to see what happens.

"In the case of Central America, we are faced with a region which is very close to us geographically and politically. We cannot remain indifferent to the threat of a regionalized war or to the fact that the state of latent warfare continues -- a situation that has affected Mexico in its economic relations in the region and has also given us the problem of (Guatemalan) refugees."

Regarding recent speculation about conflict with the U.S. Government because of Mexico's role in the Contadora peace process, De la Madrid said such conflict does not exist:

"Up until now we have not had conflicts with the United States, because we do not have the same focus. We have had an objective dialogue with the United States and, in addition, we have helped the United States see the problem more clearly...with the sensitivity with which we have viewed it.... The United States has promised politically to aid the Contadora peace efforts. Also, as we have proposed, for several months now there have been on-going discussions between the United States and Nicaragua."

The president directly addressed the subject of Mexico's policy toward Guatemalan refugees in this country:

"We are following a time-honored tradition which has served Mexico well. The right of asylum is spelled out in international treaties to which Mexico subscribes and it is a humanitarian duty with which Mexico has consistently complied. That also explains our Central American policies. In case we are not able to bring peace to Central America, the avalanche (of refugees) will be much greater. That is why Central America is of vital interest to Mexico."

De la Madrid spoke of present diplomatic relations with Central American neighbors and spoke of negotiations between the government of Salvadoran President Jose Napoleon Duarte and the opposition FMLN-FDR:

"I wouldn't call it a renewed contact (between Mexico and its neighbors). I would call it a policy of natural extension taking into consideration the (political) climates of years past. I think that Mexico is obliged to have the most cordial relations and the greatest cooperation with its neighbors...and what goes for the North goes also for the South. We are not equal countries; we have different systems. But we have to try to co-exist in a positive way. We have increased the dialogue and the communication with Guatemala and with El Salvador, maintaining the principles of each country, with reciprocal respect. In the case of El Salvador, I believe we ought to encourage the strength shown by President Duarte for internal dialogue and the pursuit of peace in El Salvador."

When asked about Mexico's external debt and the fact that critics say it calls into question the national sovereignty, De la Madrid had this to say:

"The service on the foreign debt, obviously, is a limitation to our economic development, but it has not had -- in any form -- political limitations for us. We have assumed the responsibility freely and we have not compromised in the least bit our national sovereignty." The foreign debt will be renegotiated in 1985, De la Madrid explained, because, "It is the time our creditors have asked us to give an accounting of the situation and reexamine the schedule we had achieved for the restructuring of the debt. As creditors, they -- like any creditors -- are carrying out their function of keeping informed as to whether or not the debtor is able to comply with the terms of the original agreement. I think that is the fundamental reason (for the 1985 talks)."

From talk of the national debt and sovereignty, the interview naturally turned to the subject of the United States. Mexico-U.S. economic relations have led some sectors in the United States to complain that Mexico's export policies cause harm to the U.S. economy:

"The agreement we have been negotiating (with the United States) is not really an integral commercial pact. It is rather an agreement by which the United States would give us what is already given in technical terms -- that is "proof of damage" when (legislative) proceedings arise in the United States to impose compensatory taxes on our exports because we may be exporting under conditions which would be considered unacceptable according to the regulations of international trade.

"At present, this proof of damage...the proof that there is a cause-and-effect relationship between exports and damage to elements of U.S. economic activity...can only be obtained by member countries of the GATT (General Agreement on Tariffs and Trade), to which the United States belongs.

"Because Mexico does not belong to GATT at this time, we do not have this procedural advantage, which would give us greater possibilities for defending ourselves against protectionist regulations which Mexico considers at times to be excessive.

"In exchange, the United States would ask Mexico not to engage in excessive subsidies -- outside of normal commercial practice -- for its export products.

"We have been on the point of signing this agreement, but in the United States -- which has a very complex political and economic system -- there are often special interests which try to use negotiations of this type of achieve additional advantages. In this case, the circumstances that for several months have held up the signing of this commercial agreement have been the arguments of the U.S. pharmaceutical industry, (which feels its) access to Mexico would undoubtedly be limited by our regulations."

When asked if the United States has been a "good neighbor" to Mexico, De la Madrid replied:

"I have always affirmed that to live next to the United States has its advantages and disadvantages and that the advisable position for us is to make use of the advantages, increasing them, and to diminish the disadvantages.

"I believe we could apprise ourselves much more than we have done up until now of the advantages of being neighbors with the United States. They have the largest market in the world, the most advanced technology in the world, generally speaking. I believe that in these areas Mexico should take much more advantage of its proximity to the United States.

"The first thing we should do is to get to know each other better. Many times, Mexicans, because of historical conflicts we have had with the United States, don't even want to hear a word about them (the United States). I don't feel that is a mature attitude. I believe we Mexicans have the obligation to know the United States better in order to take advantage (of our proximity) and diminish the disadvantages, which also exist."

Speaking of his relationship with U.S. President Ronald Reagan, De la Madrid said: "We get along well, we share mutual respect for each other. We have not always been in agreement on everything, but we are disposed to overcome differences and increase the areas of cooperation and reciprocal benefits to the United States and Mexico."

Reagan's reelection, De la Madrid said, "is a sovereign decision by the American people. In addition, it was a decision which was made very clear. According to our policy of respect for the self-determination of peoples, we have to respect the decisions of the people of the United States. The reelection of President Reagan signifies that, given the relations our two governments have already established, there are foundations in place on which we can continue to look for a relationship that is dignified, respectful, cordial and fruitful."

According to De la Madrid, Reagan is a person who is easy to get along with: "I get along very well with him...he is an open person who knows how to listen and with whom you can carry on a dialogue. He has shown respect for Mexico, for its system. And he has shown us proof (of his respect.)"

Speaking of the planned meeting between the two presidents next year, De la Madrid said:

"President Reagan and I have agreed, in principle, to meet each year to examine the bilateral relations between our two countries and to discuss international problems. I believe it is a good practice. Personal diplomacy at times achieves some advances over formal or traditional diplomacy, and the themes will be those that are of most interest to the two countries -- the problems that remain between the two countries."

One of those problems continues to be the impact of undocumented Mexican workers on the U.S. economy and the status of those workers within the U.S. socio-economic system. De la Madrid noted that "at present, we do not have an agreement regarding emigration, as we had in other times when quotas were fixed and there were certain obligations on both sides. Up until now, it has not been possible to reach any agreement of this nature. Thus no accord of such a nature is being contemplated at this time, but that is not to say that the Mexican Government has abandoned Mexican emigrants to their own luck (in the United States).

"Through our embassy and our consulates we are attending to the problems that confront Mexicans working in the United States, and we are intervening with the U.S. authorities in order to ensure their rights."

LE MONDE INTERVIEWS ARDITO ON COUNTRY'S FUTURE

PM201443 Paris LE MONDE in French 15 Dec 84 p 7

[Marcel Niedergang dispatch: "We Must Energetically Fight Corruption"]

[Text] Panama -- Nicolas Ardito Barletta, known as "Nicky," who was elected president of Panama in May 1984, took office on 11 October, the anniversary of General Omar Torrijos' seizure of power in 1968. Faced with an economic and financial crisis which is "even more serious" than he thought, to use his own words, he adopted stringent measures which bear the stamp of a former senior World Bank official.

Indeed, his austerity plan makes provision for freezing wages in the public sector and selling a number of "autonomous" enterprises (affecting the water, electricity, and telephone services, agrarian reform, tourism, lotteries and casinos, among others), over which there had clearly been no real control for a number of years.

The plan also envisages increasing the powers of the Controller General's Office (Contraloria General), whose officials have the job of "checking" the sound management of spending in each ministry and each public enterprise. The aim is to combat corruption and the fairly widespread system of bribes, as Mr Ardito promised to do in his election campaign. It is a laudable but difficult task in the country in which opinion is automatically skeptical about the leaders' moral "good intentions."

At all events it is vital to sort out the economy, because Panama cannot escape the foreign debt problem any more than the vast majority of Latin American countries. According to its leaders, it totals around $5 billion (public and private debt).

This is a great deal for a small country, which is due to regain full sovereignty over the Canal Zone by the year 2,000 (as a result of the Torrijos-Carter agreements signed on 7 September 1977) but is seriously affected by the world crisis (the Colon free zone, one of the Republic's "trump cards," is going through a very bad time). Renegotiating this debt implies sacrifices and emergency measures. Mr Ardito is very aware of this. He is a graduate of the University of Chicago and is an expert in economic and financial affairs: these are credentials which mattered when it came to selecting a presidential candidate.

Numerous scandals, including a spectacular social security scandal involving misappropriation of funds; big, ambitious, and costly projects eventually abandoned, like the copper project in Cerro-Colorado, in the Chiriqui region; direct or indirect interventions by the National Guard (now renamed the "Defense Forces" under the command of General Manuel Antonio Noriega) in public affairs during the Torrijos era; economic and financial crisis; unemployment reaching critical levels; especially in Colon and in some working-class districts of Panama City (San Miguelito); recession; and increasing insecurity: Panamanians, whose living standards nonetheless remain higher than their Central American neighbors, have many reasons for anxiety and concern. The austerity plan submitted in a dramatic way by Mr Ardito in November clashes with many interests and habits and is not supported by all sections of society.

Faced with protests, the president has already had to withdraw his special tax plan [Law No 46), which was one aspect of his austerity plan. Despite this, street demonstrations have taken place in Panama "against corruption" and "against the government plan." In other words, it is going to be a difficult task. Mr Ardito, an honest and sincere man, is clear about this. He admitted that "nothing is settled."

This is what he told us during an interview granted in the presidential palace in "old Panama City" dating from the colonial period, from where you can see the merchant ships waiting to enter the canal.

"In just 1 month," he said, "my government has drafted 30 laws to reform our administration and the economy, and to deal with social problems. The aim is to clean up the civil service and fight energetically against corruption, which is in fact one of the country's main ills. One new thing is our bill against smuggling. The Controller General's Office will be strengthened and its power increased. A financial court will try indiscreet officials, and a so-called 'licitation' law should make it possible to combat the bribe system more effectively. However, this package of measures still has to be adopted by the assembly.... I think we should encourage the private sector, without forgetting to make every effort in the social sphere. Encouraging employers to work more and export more should not exempt the state from showing concern for the poor and people living on the fringes of society. Unfortunately there are many such people in Panama. I hope -- if all goes well -- to reduce the current budget deficit from 6 percent of the gross industrial product to 4 percent in 1985 and around 2 percent in 1986. People ask me what the Defense Forces' budget is. It will be reduced to 4 percent."

The members of the Defense Forces, who were criticized for a great deal in the past, have kept remarkably quiet in their barracks since 11 October. There is no doubt, however, that the cries of anger in the streets annoy them. Although he is determined to give President Ardito "every chance" and is primarily anxious to build a modern and efficient Panamanian Army (by the year 2000, when Panama will effectively have to ensure the defense and security of the canal linking the oceans), General Noriega would probably not tolerate serious and prolonged distrubances in the streets of Panama.

Mr Ardito, a liberal, moderate nationalist determined to fight for the Torrijos-Carter treaties on the zone to be implemented and respected ("there are problems," the president admitted), is not cultivating anti-Americanism, but in this sphere he is in harmony with most Panamanians, who know that the "recovery of sovereignty" does not solve everything.

"Nonetheless," "Nicky" explained, "the American school in the area where Green Berets trained Latin American soldiers in antiguerrilla combat has been closed. It is now our Defense Forces which is running it...."

The maintenance of the American military bases in the area and the use of those bases in the Central American conflicts (American reconnaissance planes take off from Howard Air Base to "overfly" Nicaragua and El Salvador) at least "prick the consciences" of Panamanians. Mr Ardito admitted this. He added: "Panama, which is a member of the Contadora Group, obviously wants a political solution. The Sandinists still have a chance of overcoming the crisis by accepting an honorable solution. This also depends on them. They must realize however, that the Central American peoples and governments will never tolerate MIG-21's in Nicaragua. Even those in the region who sympathize with them are resolutely hostile to this. It would be unacceptable, dangerous, and likely to completely upset the stances adopted by various people...."

COSTA RICA

ARAUZ ACTING PRESIDENT; MONGE IN PANAMA

PA270307 San Jose Radio Impacto in Spanish 1830 GMT 26 Dec 84

[Text] President Luis Alberto Monge Alvarez left for David, Panama this morning. He will stay there resting during the end of year holidays. Meanwhile, Vice President Armando Arauz Aguilar assumed office as acting president in view of the president's absence. This is the (?seventh) trip that Monge has made to Panama where he has met with successive Panamanian presidents Aristides Royo, Ricardo de la Espriella, Jorge Illueca, and Nicolas Ardito Barletta.

BRIEFS

NEW AMBASSADOR TO U.S. -- San Jose, 24 Dec (AFP) -- Fernando Zumbado is the new Costa Rican ambassador to the United States. [Summary] [Paris AFP in Spanish 1636 GMT 24 Dec 84 PA]

EL SALVADOR

ARMY REPORTS REBELS ATTACK, BREAK CHRISTMAS TRUCE

PA261434 Panama City ACAN in Spanish 1334 GMT in Spanish 26 Dec 84

[Text] San Salvador, 26 Dec (ACAN-EFE) -- The Christmas truce established by the rebels was broken yesterday in a confrontation between guerrillas and Salvadoran Army soldiers in the town of Concepcion, in Quezaltepeque in northern El Salvador.

Military sources in Chalatenango Department, where the attacked town is located, told ACAN-EFE that a group of rebels carried out a surprise attack on a group of soldiers early Monday [as received] morning. The spokesman said he did not have information on possible casualties suffered by the Army or the guerrillas.

According to the source, the attack lasted 2 hours and the area is now calm. The spokesman insisted that the soldiers acted defensively and added that the objective of the rebels was not to seize the town but to harass the garrison.

Concepcion, Quezaltepeque, approximately 70 km north of San Salvador, is protected by forces of the Chalatenango detachment. This area has been affected by armed clashes for the past several years. The FMLN has one of its strongest bastions in Chalatenango.

The Army press office said that it had not received any reports about clashes between the Army and the guerrillas in the past few hours. The rebels announced in mid-December that they would maintain a military truce on 24, 25, and 26 December and 31 December, and 1 and 2 January in honor of Christmas festivities.

High-ranking Army officers said government troops would remain "vigilant" on those dates. In the past few hours, there have been a number of patrols, and vehicles have been searched. During Christmas last year the FMLN totally destroyed the El Paraiso garrison located in Chalatenango Department. It inflicted hundreds of casualties on the Army during that action.

GUATEMALA

URNG: COUNTRY ACTS AS LOGISTICAL BASE FOR EL SALVADOR

FL261546 Mexico City NOTIMEX in Spanish 0000 GMT 26 Dec 84

[Text] Mexico City, 25 Dec (NOTIMEX) -- The 2,395 boxes of dynamite that were unloaded recently in the port of Santo Tomas de Castilla, located on the Atlantic Coast of Guatemala, confirms the role of logistical rearguard that U.S. Military plans have assigned to Guatemala. This statement was made in a press communique issued here by the Guatemalan National Revolutionary Union (URNG) in which it was stressed that said military supplies were secretly guarded and transported to the point where the borders of Honduras, El Salvador, and Guatemala meet.

The communique also said that although Guatemalan diplomacy is not openly aligned with the Reagan administration, internally the fascist regime of Mejia Victores is continuing its bloody repression of the people and bombing domestic areas indiscriminately while conceding no importance to noncombatant civilian casualties.

The URNG says the support that the government of Jose Napoleon Duarte receives from the United States passes through Guatemala, as is shown by the recent traffic in arms and dynamite to Punto Trifino, where the "Granadier I" military maneuvers were held last May with the participation of the Honduran, Salvadoran, and U.S. Armies. The revolutionary organization added that 3 days before the arrival of the dynamite, a group that included Gay Vandeline and Grad Matthews of the U.S. Embassy in Guatemala was organized. [as received]

HONDURAS

EXPORT INDUSTRIES 'EXONERATED' FROM PAYING TAXES

PA231558 Panama City ACAN in Spanish 1349 GMT 23 Dec 84

[Excerpt] Tegucigalpa, 23 Dec (ACAN-EFE) -- Yesterday, the Honduran Government decided to exonerate national and foreign mixed capital companies that produce goods for export from paying income taxes. These incentives are aimed at increasing the number of industries engaged in export production, creating approximately 60,000 new jobs, and promoting the establishment of new enterprises.

According to Honduran Economy Secretary Miguel Orellana, "the approved fiscal incentives are included in the new law regulating temporary imports, which also favors the introduction of equipment, inputs, raw material, and investment capital."

Orellana added: "These are the most significant fiscal incentives approved in the past 10 years. They will completely modify the current system and will also eliminate cumbersome bureaucratic procedures." Another benefit expected from the increase in the production of products for export is a regular amount of foreign exchange that is currently needed in the country. In addition, the companies will be able to sign contracts with foreign markets without having to prevent guarantees.

The Honduran process to promote exports and facilitate imports is concurrent with the new, recently implemented uniform system of tariffs which was not signed by Honduras. Orellana stressed that "now there is a climate for investments in Honduras, due to its great political and financial stability which makes us competitive in any market."

Meanwhile, the government is currently holding meetings with the Honduran private sector in order to brief them on the best ways to take advantage of the new legal mechanisms.

NICARAGUA

DANIEL ORTEGA INTERVIEWED BY BULGARIAN DAILY

AU261533 Sofia BTA in English 1118 GMT 26 Dec 84

["Daniel Ortega: 'Peace Means Defense of the Revolution'" -- BTA headline]

[Text] Sofia, December 26 (BTA) -- "The major task facing the Sandinista National Liberation Front (FSLN) and Nicaragua's government is and will continue to be the establishment of peace. This means to beat aggression in all its forms, to disperse and liquidate the contras' gangs, to keep the people braced up to meet a possible direct intervention by the U.S.", says Sr Daniel Ortega Saavedra, president-elect of Nicaragua and member of the FSLN National Directorate, in an interview for the RABOTNICHESKO DELO newspaper.

He sees the first free elections in the history of Nicaragua as an "important step towards strengthening the revolution" and as a "clash between the aggressive North American policies and the policy of the Nicaraguan people in defense of the revolution." Sr Daniel Ortega observes that with the help of the CIA the Reagan administration did their utmost to have the elections boycotted and to stir chaos in the country using the services of the mercenary contras.

Speaking of the Nicaraguan-U.S. meeting in Manzanillo, Sr Daniel Ortega says that the Nicaraguan side is keeping up the initiative, but "we know we can't hope for results in the foreseeable future as the U.S. is seeking to score propaganda points."

"Objective facts lay bare the demagoguery of the U.S. which declares itself in favour of a negotiated settlement of the conflict in the region, at the same time backing the mercenary gangs and threatening an open intervention", he says.

Sr Daniel Ortega points out that over the last four years of ongoing aggression, Nicaragua has suffered more than 1,300,000,000 dollars worth of damages. He emphasises that apart from that, his country has been subjected to an outright genocide, as it loses scores of innocent lives every day. The Nicaraguan leader declares "there is a world consensus against the U.S. anti-Nicaraguan policies." Washington is fighting a losing battle at the international forums: That was the case in The Hague, and that is now the case with the Contadora group, with the Organization of American States, with the Nonaligned Movement. "The socialist countries and the UN were unanimous in condemning the 'position of strength' policy", he indicates.

Speaking of Nicaragua's future, Sr Daniel Ortega stresses that the role of the FSLN National Directorate should be conceived as a guarantee for the consolidation of the revolutionary process and of its application. "The functions of the National Directorate outreach those of the state: They are of a global character", he says.

At the same time, Sr Daniel Ortega points out that the FSLN stimulates the alignment of all political forces which will be represented in the National Constituent Assembly. "The right-wing forces, however, are sabotaging the FSLN initiative on setting up a united front for the defense of the nation from the imperialist aggression", says Nicaragua's president-elect.

Discusses U.S. Policy

PA270213 Managua Radio Sandino in Spanish 1830 GMT 26 Dec 84

[Text] Sofia -- Nicaragua President-elect Daniel Ortega has told the Bulgarian newspaper RABOTNICHESKO DELO that the United States is involved in a lost battle against the Sandinist regime at international forums.

In an interview published today in the official organ of the Bulgarian Communist Party, Ortega referred specifically to the ruling issued by the Hague International Court and the pressures which the United States is now exerting on the Contadora Group. In Ortega's opinion the U.S. diplomatic action within the OAS and the Nonaligned Movement rendered no fruit. He added that the material damages caused to his country in the last 4 years of foreign aggression amount to $1.3 billion in addition to the human lives lost daily.

EXILE REPORTEDLY REMOVED FROM COSTA RICAN EMBASSY

PA262211 San Jose Radio Impacto in Spanish 1830 GMT 26 Dec 84

[Text] Unidentified individuals have broken into the Costa Rican Embassy in Managua, Nicaragua. Reports from Nicaragua indicate that a vehicle broke through the chainlink fence of the building, where a bullet hole can be seen. Our correspondent, Salomon Calvo Arrieta, will give us the details:

[Begin recording] The information we are reporting deals with the indication of violence and events that took place on 24 December in the Costa Rican Embassy in Nicaragua, which is located in the Las Colinas neighborhood. On 25 December, this correspondent obtained a report from [words indistinct] that the Costa Rican Embassy in Managua had been broken into by individuals, who removed Jose Manuel Urbina Lara from the embassy. Urbina Lara had taken political asylum there because he was being persecuted by the political police, in other words, the State Security.

According to the information we have obtained, Urbina Lara had been detained on State Security orders last year and was released at the end of November 1983. On that occasion, he was accused of being involved in activities that violate the law on the maintenance of public security and order and specifically of being a member of an organization that is described as counterrevolutionary, the Democratic Revolutionary Alliance.

This incident was denounced to this correspondent on 25 December by Pablo Urbina Lara and lawyer Coronado Urbina Lara, brothers of Jose Manuel Urbina Lara. This correspondent confirmed the charge by Jose Manuel's brothers this morning. The last time that his relatives saw him was on the afternoon of 24 December when they took food to the embassy. At 0900 on 25 December, a diplomatic policeman who guards the embassy told Jose Manuel's relatives that he had been removed from the embassy. He remained silent about the events, even though as a diplomatic policeman he should protect the embassy [words indistinct]. At approximately 1030, this correspondent [words indistinct] Jose Manuel Urbina Lara's lawyer visited the embassy residence and a diplomatic guard told me about these events, saying that Jose Manuel had left the Costa Rican Embassy and that he was not there. The guard did not provide any other information. This correspondent visited the Costa Rican Embassy this morning and confirmed that Jose Manuel Urbina Lara was not there. I noticed that the chainlink fence on the right side of the building was tied with chains and showed signs of violence, apparently with a vehicle. There are marks of of a vehicle at the entrance of the gate.

There also bloodstains in the building so it is believed that the person who had taken asylum in the Costa Rican Embassy is wounded or dead. His whereabouts are unknown. A liquor bottle and a radio-cassette recorder that belonged to Jose Manuel were left on a table in the embassy. According to Jose Manuel's brothers, he never thought of leaving the embassy since according to them, he was going to be granted safe conduct. The reason why an empty liquor bottle was left in the embassy is unknown. The relatives of Jose Manuel are interested in learning his whereabouts. He is 23 years old and was a fourth year law student at the Central American University. [end recording]

Meanwhile, Costa Rican Foreign Ministry Carlos Jose Gutierrez gave this exclusive statement to Radio Impacto.

[Begin recording] [Gutierrez] I understand that the incident did not take place last night, but rather on the night of the 24th. However, the reports are somewhat confusing. I have asked our charge d'affaires, Carmen Rojas, to find out exactly what happened. I am also in contact with Jesus Fernandez, Costa Rica's ambassador to Nicaragua, who is currently in my office. I am asking him for a detailed report on the incident, before a decision is made on what course of action Costa Rica's Foreign Ministry should pursue.

[Reporter] Mr Gutierrez, what are the steps to follow in the event that...

[Gutierrez] Well, the first thing to do is to find out exactly what happened. Until we have that information, I cannot take action. Mrs Rojas' report is not sufficiently clear yet. The report contains some contradictions and I have asked her to clarify it so we can learn what happened. We have received an official verbal report from the Nicaraguan Foreign Ministry. Therefore, I still do not know first, what happened and second, what course of action I should take.

[Reporter] Mr Gutierrez, did you also receive a report about a person who had taken asylum in the Costa Rican Embassy, and who is no longer there?

[Gutierrez] Yes, exactly. What I need, and what as of yet I have not received from any of our officials there, is a detailed report on the incident. [end recording]

Foreign Ministry Communique

PA270016 Managua Domestic Service in Spanish 2309 GMT 26 Dec 84

[Communique issued by the Nicaraguan Foreign Ministry in Managua on 26 December]

[Text] The Nicaraguan Foreign Ministry reports that on 24 December at approximately 2300 a woman alighted from a vehicle that had parked in front of the Costa Rican Embassy in Managua and asked the duty embassy guard to let her visit Nicaraguan citizen Jose Manuel Urbina Lara, who was the only person inside the embassy. The woman said that she was Urbina's friend and wanted to extend Christmas greetings to him. After the woman insisted, the policeman consented to her request and let her enter the embassy. As the policeman moved several feet away from the embassy building he observed that Urbina Lara and his visitor left the embassy building in haste and got into the car in which the woman had arrived. The guard ordered them to stop and fired several warning shots into the air. In view of this the two persons attempted to reenter the embassy building and smashed the vehicle against an iron grill gate. The guard approached the vehicle to arrest the two culprits. Urbina Lara descended from the vehicle and attempted to attack the policeman. The two men struggled and shots were accidentally fired. One of these hit Urbina Lara and wounded him in the leg. Taking advantage of the confusion, the woman fled in the car in which she had arrived, while Urbina Lara was captured by the embassy guard. He was later sent to Alejandro Davila Bolanos Hospital for medical attention. Urbina Lara has been placed in the custody of pertinent authorities.

H. ORTEGA REVIEWS MILITARY ACTIVITIES IN 1984

PA270234 Managua Domestic Service in Spanish 1509 GMT 26 Dec 84

[Statement by Commander of the Revolution Humberto Ortega, defense minister, at the Aguero Echeverria Military Training Center in Managua -- live]

[Excerpts] More than 1,500 military actions of various kinds, including ambushes, attacks, and others were carried out against the mercenaries. The actions carried out in 1984 amount to more than 4,000 casualties on the part of the mercenary forces. Of these, more than 3,000 are deaths.

Regarding aerial activities in 1984, our Army conducted more than 1,326 air actions of all kinds. Compared with the 620 air actions conducted in 1983, we are seeing a great increase in this kind of action. The United States sent more than 480 air exploration missions in 1984. In 1983 they conducted 200 of these. You must recall the aerial espionage activities conducted by the well-known Blackbird.

In 1984, the presence of the U.S. fleet, attacks by speedboats, particularly in the first 6 months of 1984, and violation of Nicaraguan waters in the Atlantic and Pacific continued. Also, Nicaraguan ports were mined in early 1984. Of these actions we make special note of the effects the mines had a Panamanian and Soviet registered vessels, and on a fishing boat that sank as a result of the mines.

Frigates, destroyers, cruisers, and battleships have maintained naval actions to exert pressure on Nicaragua. Also there have been constant naval maneuvers and exercises throughout 1984. These exercises and maneuvers include the "Big Pine II" [preceding phrase in English], which took place in Honduras and in which 6,000 U.S. and many Honduran troops took part; the "Keypunch" [preceding word in English] exercise, which was held in Honduras, south of Palmerola; the exercises held in April and May in central, southern, and western Honduras known as the "Grenadier I" operation; the exercise in the Golfo de Fonseca known as "Kings War I" held in May and June by U.S., Honduran, and Salvadoran forces; the "Blue Eye" exercise; and other maneuvers that were part of the effort to intimidate Nicaragua. They included "Operation Grasshopper" that took place in the Caribbean. These maneuvers were programmed for 1984 with a number of countries in the region through which the United States has attempted to channel its interests.

Recently antitank warfare exercises were held in Honduras by Honduran and American forces. Also in December 1984 in the Golfo de Fonseca, at the Barra de Caratasca, in Mosquitia, Honduras, maneuvers and naval operations by Honduran, Salvadoran, and U.S. forces took place as part of the 'Kings Guards III" operation. As we all know, the United States is preparing the "Big Pine III" and "Grenadier-II" operations for 1985. These maneuvers are currently in the planning stage.

There are approximately 2,000 U.S. troops in Honduras at this time. They carry out all kind of intelligence missions; give logistical support to the troops during maneuvers; plan, direct, and coordinate exercises and maneuvers; man radar equipment; and carry out other kinds of military operations connected to the military bases in Honduras, such as Palmerola, Cerro de Hule, Isla del Tigre at Amapala, at the Puerto Castilla military training center, at Valle de San Lorenzo and in other areas of Honduras. They build large ammunition and fuel depots, and conduct other military activities.

There are also U.S. military units in Costa Rica. They are expanding some airports, like Alajuela, Guanacaste. They conduct communications and intelligence activities in Liberia and are expanding several highways that have military value with regard to Nicaragua. This is in Guanacaste, in the area of Santa Cecilia. They are expanding the Los Chiles airstrip in northern Costa Rica, near the Nicaraguan border and the airstrip at Llano Grande, in Guanacaste. This department is on the Nicaraguan border. Also, in Punta Arenas work is being done on naval facilities, and there are other activities in Costa Rica. These are the naval operations and the maneuvers and exercises that the United States is conducting in the area.

All these enemy plans have been frustrated. However, we have not been able to completely annihilate its forces and neutralize its capacity to affect Nicaragua. Although it is true that the mercenary forces were unable to carry out the offensive they had planned for 19 July and the offensives to frustrate the electoral process, and that they have been unable to liberate Nicaraguan territories or take control of entire departments or departmental capitals like Jinotega and Matagalpa as they had planned, this does not mean that they lack the means and forces to continue their activities.

In summarizing the mercenary situation, I can say the following: In view of their failure to carry out a general offensive, they made efforts to hamper the coffee harvest and affect the social and economic life in the areas where their forces operate. They have thus approved the plan called "Nueva Siembra." It is aimed at obstructing the coffee harvest and implies a reorganization of forces at border areas and in Honduras to continue their actions in the next few months with regard to the large-scale plans that they were unable to fulfill in 1984.

For this, they are unleashing an indiscriminate terror and are multiplying the number of kidnappings, especially those of young peasants, because they are trying to keep a quantitative level in their forces. They are increasing their plans and are brutalizing their worn-out forces. These forces are worn-out because of all the operations carried out by the Army in 1984, particularly since July. The mercenary forces are involved in attempts to make these plans and reorganizational efforts bear directly on the January and February activities. With these reorganizational efforts they are seeking to reactivate their actions to a maximum during the first quarter of 1985 in order to implement offensive plans they were unable to put into practice in 1984. They want to do this immediately in January and February to present to the U.S. public an important belligerence which they refer to as civil war to strengthen positions within the U.S. Congress and thus get their congressional supporters to advocate a resumption of the aid to the counterrevolutionaries.

In other words, the mercenary forces are trying to get Congress to support and resume the overt U.S. aid to the contras. For this reason, they are involved in efforts to maintain great military activity. They will also make efforts to deal propaganda-type and political-type blows to help achieve this goal in the next few weeks, especially in January.

Despite the problem with Congress, the United States has maintained, in various ways, the support for the counterrevolution of the FDN and those forces in the south -- especially the forces operating in the north supported through Honduran Armed sectors that agree with this aggressive policy implemented by the most reactionary sectors of the current U.S. Administration.

In this regard, it is important to note recent statements by Fred Ickle, a U.S. Government spokesman, who proposes that the mercenary forces be diplomatically recognized and that overt aid be sought from Congress for the counterrevolution, thus sidestepping the current problem with the U.S. Congress. Another important element in the escalation is the incorporation of counterrevolutionary Cubans, led by Hubert Matos Sr and Hubert Matos Jr, into the struggle.

The Matoses have visited counterrevolutionary camps in Honduras and are involved in efforts in the United States to unite Cuban counterrevolutionaries and other mercenaries in favor of the FDN forces. In a general way, these were the points we wanted to stress to you today about the evolution of the tasks of the counterrevolution in 1984.

I already mentioned the enemy casualties inflicted by the people up in arms. We must note that more than 2,000 civilians were direct victims of this criminal work carried out by the mercenary forces, especially in November and December when, due to the failure of their offensive plans, the counterrevolutionaries have been involved in indiscriminate attacks on economic and civilian targets.

As of today more than 600 people have been killed in November and December. They were the victims of this criminal mercenary activity directed against civilians, peasants, producers, technicians, teachers, and in fact, against all those citizens who are involved in the economic and social activities of our revolution in the war territories of Jinotega, Nueva Segovia, northern Esteli, Nueva Segovia [repeats], and Madriz.

With regard to the EPS, approximately 1,000 members offered their valuable lives defending our homeland during 1984. This figure includes officers, NCO's, militiamen, and reserve members. This figure also includes combatants of the Interior Ministry, who also gave their lives defending our revolution.

In general, the tasks of the revolution for 1985 with regard to the war are as follows: First, with the people's efforts, we will increase the blows that we have been dealing on the enemy in the past few years. We believe that in 1985, these blows could lead the enemy into a situation that is frankly more defensive and difficult. In this way we can begin restoring the tranquillity and peace that we achieved on 19 July 1979. We are not inside a vicious circle. The situation of the counterrevolutionaries in 1984 was more difficult than that which they faced in 1983. Although they still have U.S. support and the support they receive from their bases in Honduras and Costa Rica, the plan, as we showed in this brief analysis, they set out to implement after the first quarter of 1984, the development of a general offensive, failed. They were unable to implement it and, in their desperation, they feel forced to commit barbaric actions and focus their crimes on children, women, and elders in this Jinotega and Matagalpa region.

Therefore, the first step is to increase our military strikes against the enemy. With that goal in mind, we must increase mass mobilization to enable us to conduct longer and more relentless attacks and to make our military actions continue for longer periods of time. Thus, we will be able to strongly and overwhelmingly strike at the counterrevolutionary units which employ unconventional warfare. This makes it difficult for us to face them without combining a massive participation of the people in the war effort with an improvement in our combat tactics and operations.

We have been combining these two factors and we must reinforce and increase this in 1985. We must further reinforce the role played by the active rearguard, which we have been promoting throughout 1984. We must do this, especially in those zones which are not directly affected by the war, because indirectly, the whole country is being affected by this war. The reinforcement of the active rearguard in the field of production -- which can be accomplished through more discipline, efficiency, and sacrifice -- must serve, first of all, to protect the war fronts even more. Thus, all the efforts made by the active rearguard must be basically aimed at helping the fighters at the war fronts. At the same time that we are strengthening our spirit of participation in this war which is affecting all of us, we must also continue strengthening the militia operations conducted by the Battalions for Unconventional Warfare and other military units stationed in the major cities along Nicaragua's Pacific Coast.

In the last months of 1984 we have continued to strengthen our forces, especially in the wake of the tense moments the revolution experienced during the November elections. During that period Nicaragua lived through the Blackbird incident and the invasion threats. We must continue reinforcing compliance with the patriotic military service. In that regard, we must point out that despite the fact that in 1984 the effort to organize the eligible youths for military service was sabotaged -- even with the revolution's consent when the government allowed laxity during the election -- the 1984 quotas have basically been met. A small sector, made up of relatives who do not fully understand this measure has hindered and prevented some youths from fulfilling their civic and patriotic duty, as of yet. We are sure that this situation will be overcome soon, and that our youths -- like the youths who are currently in patriotic military service -- will continue to defend the revolution with dignity, courage, bravery. These youths will never choose to be accomplices, to be traitors in the service of unpatriotic causes.

In 1985, we must also continue reinforcing the measure which we have been improving, especially during the last months of 1984. These measures help to better organize civil defense. Also, we must continue our revolutionary alertness which together with the activities concerning the security of the Nicaraguan state promoted by the Interior Ministry have played a vital role in preventing the counterrevolutionary forces from carrying out their plans to create an internal urban front in the country's major cities. This is an area we must continue strengthening because our enemy has not given up its plans to sabotage our strategic, economic, and military centers. The plans are still firm; it is just that they have not been able to implement them.

At the same time, we must give priority to our country's scarce resources in view of the difficult situation we are experiencing, in view of the economic crisis in the region, which affects Nicaragua the most because we are also being subject to political aggression from the world's greatest power. In view of this situation, we must improve the areas that will enable us to really attach priorities to the country's resources so that these can be used to maintain this war which is not only responsible for deaths, wounding, and crippling, it also affects a large number of Nicaraguan brothers living in the war zones who have been uprooted and removed from their daily activities and who are suffering greatly. This is taking place in both northern and southern Nicaragua. For that reason, our people must be willing to make even greater sacrifices in order to give basic aid, to have more solidarity with the people affected by the war, and to provide everything our fighters may need to bring defeat closer to the mercenary forces and to bring the return of peace and tranquillity closer to our country.

This year, the Commission for Aid to Fighters attained successes, but that commission must be truly developed so it can fulfill the duties it was created to accomplish. The commission has solved hundreds of cases of citizens involved in the war effort. We must still make a greater effort, a nationwide effort, so that all fighters can enjoy the support for which the commission was created. Recently, we have begun to place importance on coordinating the work by the government, the mass associations, the Army, the Interior Ministry, and so forth in order to help the work of this commission.

We must also continue strengthening our campaigns for blood donations to meet the diverse needs imposed by a war such as the one we are currently facing. Therefore, in 1985, we must conduct a great and permanent people's crusade to guarantee the orderly mobilization of the entire country to annihilate the mercenary forces and, as I stated before, to regain the peace lost due to the mercenary war. At the same time, hand in hand with the people's military actions, we will continue the different political and diplomatic actions that will enable us and the United States to obtain a dignified, just, and reasonable solution. In this way, we will bring closer the end of the mercenaries, who will inevitably be defeated in the future. We want to state that in 1985 then, all of us will be on the warpath, fighting and producing.

'OUR AMERICA' VIEWS JAMAICAN ECONOMIC CRISIS

PA261331 Havana International Service in Spanish 2310 GMT 25 Dec 84

["Our America" commentary]

[Text] Many Jamaican families will not celebrate the Christmas and New Year holidays simply because they do not have the money. The year 1984 has been one of the most disastrous in history for the Jamaican people. Inflation, unemployment and political violence have been the country's main problems for the past 12 months. Jamaica's economic crisis has gradually increased, while Prime Minister Edward Seaga's government applies the recommendations of the IMF and U.S. advisers.

In Jamaica, the U.S. Government has encouraged the open door policy to foreign capital and the withdrawal of capital from the state's enterprises, which has had deplorable results in other Latin American countries such as Chile, Brazil and Uruguay, just to mention a few. This policy has created a really dramatic situation. Hundreds of thousands of workers are without jobs and others are holding part-time jobs as the cost of living continues to increase outrageously. Official statistics show that the rate of unemployment reached 32 percent among the working population. Under these aggravating circumstances, the government has announced that more than 6,000 public employees will be dismissed at the beginning of 1985.

The cut in the government's payroll is one of the Jamaican Government's Christmas gifts to the IMF which, after the devaluation of its currency and the encouragement of private investments, are the demands that this greedy banking institution is making before it approves the Jamaican authorities credit in the amount of $150 million.

In Jamaica, a family with an average income has to use 50 percent of it to purchase basic foodstuffs. Since 1983 to date, the Jamaican dollar has lost 74 percent of its value and is currently worth $0.20.

The protection given to Jamaica by the U.S. Government does not include any exemption from the IMF's leonine demands. On the other hand, as a charitable compensation, the United States gave Jamaica $6 million for a food aid program aimed at alleviating the situation of extreme poverty of the 1 million Jamaicans who represent half of the country's population.

Throughout the year there was an increasing wave of violence that has claimed over 200 victims among the civilian population thus far. The majority were killed by the police. Many police agents are awaiting trial for armed assault, holdups, and drug trafficking. Corruption among security corps is one of the main blights affecting Jamaica's government apparatus, despite the unfounded accusations made by the local Government Ministry blaming the opposition for the disorders and shootouts that occur almost daily in Jamaican towns.

Meanwhile, Prime Minister Seaga insists on not paying any attention to the people's demands to advance the date of the general elections. Seaga rules with parliament mostly controlled by members of the ruling Jamaican Labor Party. This situation has existed since 1983 when elections were held with incomplete lists in which the opposition abstained from going to the polls because it considered the elections illegal and fraudulent.

The only projects making any progress in Jamaica are the military projects. The Jamaican military forces, which participated in the aggression on Grenada a little over a year, are still in Grenada receiving training from U.S. advisers. The Jamaican Army is one of the main forces of the so-called regional defense force sponsored by Washington to deactiviate what it calls subversive outbreaks in the Caribbean.

MALMIERCA PRESENTS MEDALS TO FOREIGN SERVICE WORKERS

FL261950 Havana Television Service in Spanish 1800 GMT 26 Dec 84

[Text] A group of workers who founded Cuba's Foreign Ministry today were presented with the Enrique Hart Award, which the public administration workers union bestows, and the Internationalist Workers Medal.

Isidoro Malmierca, Central Committee member and foreign minister, along with other vice ministers, bestowed the medals on these outstanding foreign service workers.

At the informal but dignified event, the figures of Raul Roa, dignity personified, Mario Garcia Inchaustegui, and Manuel Bisbe, were recalled as examples of our revolutionary diplomacy.

NATIONAL ASSEMBLY CONSIDERS HOUSING, LABOR, BUDGET

PA262013 Havana International Service in Spanish 1600 GMT 26 Dec 84

[Text] The Cuban people are especially interested in the beginning of the seventh regular period of sessions of the National Assembly of the People's Government, corresponding to the second legislature, which will begin tomorrow, Thursday, at the Palace of Conventions in Havana, according to the newspaper GRANMA. The meeting is very important for the people because the deputies will have the responsibility of analyzing, debating, and approving the bills on a general housing law, labor code, and economic-social development plans for 1985, among other legislative documents. The draft state budget will also be reviewed; it has been prepared according to Fidel Castro's policy, which was outlined during the first energy forum. The state's district courts will also be analyzed, in addition to other important topics. The permament commissions of the National Assembly of the People's Government in Cuba will work all day today to approve the reports which will be presented on the draft bills and other reports proposed for the meeting.

JOSE MARTI AIRPORT RUNWAY, WIDENING COMPLETED

FL261644 Havana Domestic Service in Spanish 1527 GMT 26 Dec 84

[Text] In order to end flooding from rain in Santiago de las Vegas, the workers of Havana's engineering enterprise No 22 have completed building 17 wells in Laguna de los Cocos.

The enterprise completed projects worth more than 21 million pesos during the year, which included the drainage system project on Ayi Estaran Street. They also increased work on commercial projects by 11 percent, which included widening and draining the runway of the Jose Marti International Airport, and draining the Almendares, Luyano, and Orengo Rivers in Havana.

511 PROJECTS PLANNED FOR 1985 IN HAVANA PROVINCE

PA241218 Havana International Service in Spanish 1600 GMT 23 Dec 84

[Text] During 1985 a total of 511 important projects will get under way in Havana City Province, said Julio Camacho Aguilera, member of the Politburo of the Cuban Communist Party, at a meeting with deputies of the people's government in that region.

The projects include, among others, the expansion of the Nico Lopez oil refinery, which will increase its production of liquid gas, the reconstruction of the manufactured gas network, and studies for the construction of a subway system in Havana.

The first secretary of the Cuban Communist Party in Havana City Province also referred to national defense preparedness efforts, which will be continued. He noted that next year investments will be basically directed to those projects resulting in economic benefits, which may have a bearing on the nation's savings.

MINISTER MILLARES REPORTS ON LIGHT INDUSTRY

FL261336 Havana Television Service in Spanish 1236 GMT 26 Dec 84

[Text] Minister of Light Industry Manuel Millares, speaking at the 17th plenum of the union's national committee, said that in spite of extraordinary efforts by factory and workshop workers in 1984, the ministry will only complete 95 percent of its annual plan, mainly because of a lack of raw materials and parts. He said that among those which did complete their work plans were the clothing and graphics branches.

In his more than 1 and 1/2 hour speech, Millares emphasized exports as a source of foreign exchange, and underscored that from now on the clothing industry should play an important role in light industry exports.

He also spoke of the intensiveness of the 1985 plan, and called on all union leaders to provide all possible assistance to produce 910 million pesos, using less resources, and greater conservation of electricity and fuel, which will require the people to be more efficient and exacting at all times.

GARCIA FRIAS CONGRATULATES RAILROAD WORKERS

FL270150 Havana Domestic Service in Spanish 0000 GMT 26 Dec 84

[Text] Commander of the Revolution Guillermo Garcia Frias, minister of transportation, has sent a congratulatory message to the eastern division railroad workers and the rail construction enterprise in Santiago de Cuba Province for their outstanding work on the El Cristo stretch. In his message, Garcia Frias stressed that this productive accomplishment shows once more that workers are capable of carrying out any task no matter how difficult it may be.

BARBADOS

SUGAR INDUSTRY EARNED $64.2 MILLION IN 1984

FL261350 Bonaire Trans World Radio in English 1130 GMT 26 Dec 84

[Text] Government officials say Barbados' sugar crop this year topped 1983 production by $10 million. According to Managing Director Harry Dean of Barbados Sugar Industries, Ltd., the industry earned $64.2 million in foreign exchange from this year's crop compared to $54.8 million last year. He said on Monday that production, which totalled 100,000 tons this year, will be increased to 105,000 tons next year and to 120,000 by 1988. He also said the sugar industry received $15 million in government subsidies this year and that it will need a direct grant in 1985 to offset continuing losses from depressed sugar prices in the international market.

JAMAICA

EDWARD ZACCA ANNOUNCED AS NEW CHIEF JUSTICE

FL242132 Bridgetown CANA in English 2028 GMT 24 Dec 84

[Text] Kingston, Jamaica, Dec 24, CANA -- The president of Jamaica's appeal court, Edward Zacca, 53, is to be the island's new chief justice, it has been announced. Zacca will take over from January 1 when the current holder, Kenneth Smith, goes on pre-retirement leave. Smith will soon be 65, the retirement age for judges here, unless they are appointed to serve an additional two years. Zacca will be replaced as appeal court president, by Ira Rowe, 56.

ST VINCENT AND THE GRENADINES

PRIME MINISTER MITCHELL'S CHRISTMAS MESSAGE

FL261428 Bridgetown CANA in English 1411 GMT 26 Dec 84

[Text] Kingstown, St Vincent, Dec. 26, CANA -- Prime Minister James Mitchell says his six-month-old government is working overtime to revitalise the St Vincent and the Grenadines economy and reorganise the country.

In a Christmas radio broadcast, Mitchell, whose New Democratic Party (NDP) won the government in last July's general elections, said worthwhile programmes left in the pipeline by the former administration would be vigorously pursued. He mentioned in particular a hydro-electric power scheme and a brewery, which he hoped would come on stream as quickly as possible.

Since coming to power with the defeat of Milton Cato's St Vincent Labour Party, Mitchell said his government had been addressing itself to the many economic and social problems facing this 150 square mile Eastern Caribbean state. But the job has not been easy. One headache was a national debt of 190 million dollars (one EC dollar: 37 cents U.S.) inherited from his predecessors in office, Mitchell said.

The prime minister also criticised those people here who taunt their unemployed compatriots. I would hope that we could be a little more gracious than this in future, Mitchell declared. Unemployment here has been unofficially estimated variously at between 30 and 50 per cent. The prime minister urged everyone to work steadfastly in the new year to improve the country's image.

FEB MEETING WITH VENEZUELA ON TERRITORIAL DISPUTE

FL261500 Bridgetown CANA in English 1452 GMT 26 Dec 84

[Text] Georgetown, Guyana, Dec 26, CANA -- Guyana and Venezuela, which have a long-standing territorial dispute, are to meet here at the ministerial level next February for talks on the issue, it has been officially announced here. A government statement indicated that Caracas' claim to more than two-thirds of Guyana's 83,000 square miles, including the vast mineral-rich Essequibo region, would form part of the agenda for discussions when Venezuela's Foreign Minister Isidoro Morales pays an official visit here February 5-9.

The visit is at the invitation of the Forbes Burnham administration here. The Venezuelan foreign minister is expected to hold discussions with his Guyanese counterpart Rashleigh Jackson and other senior government officials on a range of matters, including the strengthening of bilateral cooperation and the implementation of the Geneva Agreement, the statement said.

Under the agreement, the parties last year invited the Secretary General of the United Nations Javier Perez de Cuellar to select a means of peaceful settlement of the dispute, which arose out of a Venezuelan contention that the 1899 award which established the boundary between the two South American countries is null and void. The choice of the means of settlement is now being considered by the UN secretary general.

CURRENCY DEVALUED AGAINST U.S. DOLLAR

FL241654 Bridgetown CANA in English 1714 GMT 23 Dec 84

[Text] Georgetown, Guyana, Dec 23, CANA -- The (Central) Bank of Guyana has raised the value of the local currency to 4.25 dollars vis-a-vis the U.S. dollar in a move to protect export earnings from the effect of a steady appreciation of the American dollar against the pound sterling.

A bank statement said: The Central Bank's decision to change the rate of exchange with effect from yesterday, December 22nd, stemmed primarily from the need to protect the country's earnings from sugar exports to European buyers in the face of the severe bashing of the pound sterling which on Thursday hit another all time low in relation to the U.S. dollar, which has continued to strengthen against most other major currencies.

The fixing of a new exchange rate ended its eight-week value at 4.15 dollars (Guy) to the U.S. dollar. The adjustment of the Guyana dollar is currently tied to a basket of currencies comprising the pound, the German mark, the French franc, the Japanese yen, and the Netherlands guilder.

Because of the weakening of the pound sterling relative to the U.S. dollar, the Guyana Sugar Corporation's (Guysuco) Guyana dollar earnings from sugar would have been reduced by about 15 cents (Guy) for every pound sterling received, had our rate of exchange remained unchanged, the bank said. The bank said the rate of exchange for the Guyana dollar tends to be pegged at a level which usually guarantees Guysuco about five Guyana dollars to a pound sterling earned, thereby continually fostering the viability of the sugar industry and protecting it from the vagaries of a now erratic weakening pound.

Sugar industry officials say Guysuco could end this year with a 112 million dollar (Guy) loss. Sugar is Guyana's number two hard currency earner.